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FISCAL IMPACT STATEMENT

LS 7411
BILL NUMBER: HB 1331

NOTE PREPARED: Jan 7, 2007
BILL AMENDED:

SUBJECT: License Plates.

FIRST AUTHOR: Rep. Borror
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill:

- (1) provides that with the consent of the person registering certain vehicles, the Bureau of Motor Vehicles (BMV) may release the name, address, and date of expiration of registration of the vehicle to certain organizations;
- (2) contains provisions for the design of the Support Our Troops license plate;
- (3) raises the supplemental annual fee for the plate from \$20 to \$25;
- (4) provides that a plate may be displayed on a motorcycle;
- (5) establishes the Support Our Troops Fund and provides for the deposit of certain fees that formerly were deposited in the Military Family Relief Fund in the Support Our Troops Fund;
- (6) provides that the BMV may not use a new design of the plate until supplies of the former plate have been issued in full by the BMV;
- (7) makes a technical correction; and
- (8) makes conforming amendments.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (1) Releasing names to certain organizations may have minimal impact, if any at all. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

(2) Designing a new Support Our Troops license plate will require certain expenditures. These expenditures will occur after the current supply of Support Our Troops license plates are exhausted.

Prison Enterprise Network (PEN PRODUCTS), manufacturing and sales arm of prison-made products, charges the BMV for the manufacture of license plates. For the Support Our Troops license plate, PEN

PRODUCTS will charge the BMV \$3.80 per plate for single-color printing under the digital license plate system. The charge for multi-color printing on sheeting under the digital license plate system is \$4.30 per plate. For a new design there is a \$450 charge for set-up. The funds affected are the PEN PRODUCTS Revolving Fund and the MVHA, which supports the operation of the BMV.

(4) Providing that the newly created plate may be displayed on a motorcycle will mean certain expenditures for the design of a motorcycle plate. For the Support Our Troops license plate for motorcycles, PEN PRODUCTS will charge the BMV \$2.20 per plate for single-color printing under the digital license plate system. The charge for multi-color printing on sheeting under the digital license plate system is \$2.70 per plate.

For a new design, there is a \$450 charge for set-up. However, there will be no charge for converting a design already in the digital design passenger plate to a motorcycle plate. If the design of the proposed motorcycle plate follows the same format as the current passenger plate, there will be no design charge. The funds affected are the PEN PRODUCTS Revolving Fund and the MVHA, which supports the operation of the BMV.

(5) *Support Our Troops Fund*: The bill establishes the Support Our Troops Fund. The BMV is to administer the Fund, and expenses of administering the Fund are to be paid from the Fund. On June 30 of each year, the BMV is to distribute the money in the Fund attributable to a recipient of a Support Our Troops license plate to Support Our Troops, Inc. Support Our Troops, Inc. shall use the funds for the benefit of Indiana troops and their families according to the articles of incorporation of Support Our Troops, Inc. Money in the Fund does not revert to the state General Fund at the end of the state fiscal year.

Explanation of State Revenues: (3) Raising the supplemental annual fee for the plate from \$20 to \$25 will mean additional revenue. However, Support Our Troops license plates are not scheduled for issuance until January 1, 2007. In CY 2005, sales of special recognition license plates ranged from 157 plates for the Mental Health plate to 63,685 for the Heritage Trust plate. Sales of the Support Our Troops license plates are likely to fall within this range. Additional revenue resulting from the \$5 increase for the new plate is likely to fall within the range of \$785 and \$318,425.

(5) The bill establishes the Support Our Troops Fund and provides for the deposit of certain fees into the Fund that formerly were deposited in the Military Family Relief Fund. This will mean additional revenue to the newly created fund. As of December 11, 2006, the Military Family Relief Fund balance amounted to \$358. Money in the Fund is not available until January 2007.

The Military Family Relief Fund was established to provide assistance with food, housing, utilities, medical services, basic transportation, and other essential family support expenses that have become difficult to afford for families of Indiana residents who are:

(1) members of a reserve component of the armed forces or the National Guard and (2) called to active duty after September 11, 2001.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Special Recognition and Trust Plate sales for CY 2005; Becky Gillam, New Enterprise Manager, PEN PRODUCTS, 317-388-8580.

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